



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 2293(1943)
May 24, 1991

SUBJECT: Targeting of Farm Ownership (FO) Insured Loan
Funds for Socially Disadvantaged Applicants (SDAs)

TO: State Directors, District
Directors and County Supervisors

ATTN: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

The purpose of this FmHA Administrative Notice (AN) is to clarify the process of targeting insured FO loan funds to socially disadvantaged applicants (SDAs). The intended outcome is to ensure uniformity among the States in the process of designating counties and targeting assistance for SDAs on a fiscal year basis.

COMPARISON WITH PREVIOUS AN:

This AN replaces FmHA AN No. 2025 (1943), which expired on November 30, 1990.

IMPLEMENTATION RESPONSIBILITIES:

The process for targeting insured FO loan funds is prescribed in FmHA Instruction 1943-A, Exhibit B. This regulation does not set forth the method for determining which county(ies) will be designated to use insured FO loans for SDAs.

There is no change in the county target participation rates for each State. The State Director will designate the agricultural counties which will participate in the SDA program in October of each year. These designations will be based on the county target participation rates, and one or more counties in each State will be designated for use of insured FO loan funds.

EXPIRATION DATE: March 31, 1992

FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1943-A



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Secretary of Agriculture, Washington, D.C. 20250

A State map showing the designated counties will be submitted to the National Office, Emergency Designation Staff, by November 30 of each year.

If practicable, the FO funds targeted for the State should be allocated to the designated agricultural counties, with the county having the highest target participation rate receiving the highest allocation and so on in descending order. If it is not practicable to allocate the FO funds in such a manner, then the State Director may allocate the funds to the designated counties as a group and provide that the funds will be used on a first come, first serve basis in those designated counties only.

State Directors need to make sure that everything possible has been done to assure that SDA targeted assistance is obligated in their States prior to the end of this fiscal year. Any unobligated FO funds for SDAs will be pooled by the National Office in July 1991, and reallocated to other States. The Administrator may pool otherwise if determined necessary.

The targeted insured FO funds will be used only to purchase farmland for SDAs. However, nontargeted insured FO funds may be used, if available, for farm improvements and other authorized purposes to supplement the targeted loan funds. Also, subordinations and/or participation credit are authorized for SDAs. Furthermore, guaranteed FO loans may be made to eligible SDAs for any authorized purposes set forth in the regulations.

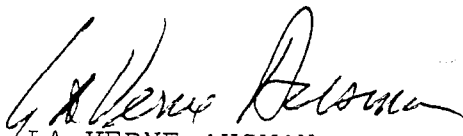
We are revising the States' target participation rates to include Puerto Rico and the Virgin Islands. The target participation rates for those areas are as follows:

- o Puerto Rico - 80 percent
- o Virgin Islands - 80 percent

State Directors may exceed their State target participation rate, where necessary, to meet the requests of SDAs.

We are not targeting inventory farms for leasing and credit sale until new regulations are issued. These will take some time to be developed.

If you have any questions on the above, you may contact Wilbert Campbell Jr., Director, Emergency Designation Staff, at FTS 382-1635 or (202) 382-1635.


LA VERNE AUSMAN
Administrator